

State of California
BOARD OF EQUALIZATION

SALES AND USE TAX REGULATIONS

Regulation 1500. FOREWORD.

Reference: Section 7051, Revenue and Taxation Code.

(a) GENERAL. These regulations are issued by the State Board of Equalization pursuant to Section 7051 of the Revenue and Taxation Code, to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law, which is contained in Part 1 of Division 2 of the Revenue and Taxation Code. Also included in Subchapter 4 are regulations pertaining to the Bradley-Burns Uniform Local Sales and Use Tax Law (Part 1.5 of Division 2 of the Revenue and Taxation Code) and to local transit district transactions (sales) and use taxes (Part 1.6 of Division 2 of the Revenue and Taxation Code). The local sales and use taxes are collected by the Board with state sales and use taxes but are imposed under uniform local ordinances authorized by state law.

(b) REVISION. The State Board of Equalization beginning in 1969, undertook a complete revision and restructuring of the sales and use tax regulations. The series numbered as Sections 1900 through 2206 have been replaced by a new series of sections numbered between 1500 and 1899. The provisions of the new codification insofar as they are substantially the same as previous rulings (regulations) relating to the same subject matter shall be construed as restatements and continuations and not as new interpretations.

(c) USE OF TERMS.

(1) The term "tax applies" as used in these regulations in reference to a sale or to an amount included in a sale, means unless otherwise indicated, that either:

(A) The sales tax applies, measured by the gross receipts from the sale, or

(B) The use tax applies to the storage, use, or other consumption of the property sold, measured by the sales price.

(2) When it is stated that certain persons are "retailers" of tangible personal property it should be understood that they must comply with all requirements imposed upon retailers, including:

(A) Obtaining a seller's permit for each place of business in this state.

(B) Filing returns and paying tax.

(C) Collecting use tax when applicable and remitting the tax with returns.

(D) Keeping records and giving resale certificates.

(3) When it is stated that certain persons are "consumers" of tangible personal property under stated conditions, it should be understood that the sales to such persons are retail sales in respect to which either the sales or use tax applies and that resale certificates should not be given by such consumers in purchasing the property.

(d) VIOLATIONS. Violation of any of the rules and regulations issued by the Board may subject a violator to the revocation or suspension of his seller's permit. A person who engages as a seller without a permit or after a permit has been suspended is guilty of a misdemeanor.

History: Adopted August 5, 1969, effective September 6, 1969.

Amended November 3, 1971, effective December 3, 1971.

Amended December 7, 1978, effective February 18, 1979. Removes language on tax reimbursement from subsection (c) (2) (D).

Regulations are issued by the State Board of Equalization to implement, interpret or make specific provisions of the California Sales and Use Tax Law and to aid in the administration and enforcement of that law. If you are in doubt about how the Sales and Use Tax Law applies to your specific activity or transaction, you should write the nearest State Board of Equalization office. Requests for advice regarding a specific activity or transaction should be in writing and should fully describe the facts and circumstances of the activity or transaction.